



ROLE OF SOCIAL MEDIA MARKETING IN NEW ENTREPRENEURSHIP DEVELOPMENT: EVIDENCE FROM DINDIGUL DISTRICT, TAMIL NADU

Muthamizh M¹, Dr. K. Raja Pranmalai², Dr. A. Rajesh³

¹PhD Research Scholar, Department of Rural Industries and Management
Gandhigram Rural Institute – Deemed to be University, Dindigul, Tamil Nadu

²Senior Professor, Department of Rural Industries and Management,
Gandhigram Rural Institute – Deemed to be University, Dindigul, Tamil Nadu

³Guest Faculty, Department of Rural Industries and Management,
Gandhigram Rural Institute – Deemed to be University, Dindigul, Tamil Nadu

Article DOI: <https://doi.org/10.36713/epra27015>

DOI No: 10.36713/epra27015

ABSTRACT

Purpose: This study examines the role of social media marketing (SMM) in promoting new entrepreneurship development in Dindigul District, Tamil Nadu, India. In an era of rapid digital adoption, social media platforms have emerged as cost-effective tools enabling entrepreneurs to enhance brand visibility, engage with customers, and expand market reach.

Design/Methodology/Approach: A descriptive survey research design was adopted. Primary data were collected from 120 entrepreneurs operating small and medium enterprises (SMEs) in Dindigul district using structured questionnaires. Percentage analysis and descriptive statistics were employed to analyze the data. The study is grounded in Social Influence Theory (Kelman, 1958), the Technology Acceptance Model (Davis, 1989), and the Resource-Based View (Barney, 1991).

Findings: The results reveal that social media marketing significantly contributes to business visibility, customer engagement, and market expansion among new entrepreneurs. WhatsApp (41.7%) emerged as the most preferred platform, and 50% of respondents reported a high impact of SMM on business growth. Furthermore, 54.2% experienced a significant increase in customer reach following social media adoption. Marketing and promotion was identified as the primary purpose of SMM usage (45.8%).

Practical Implications: Entrepreneurs in semi-urban and rural districts should integrate digital marketing strategies into their business models. Policy bodies and entrepreneurship development agencies should strengthen digital literacy programs to accelerate SME growth.

Originality/Value: This study addresses a significant research gap by focusing on SMM's entrepreneurial impact in a semi-urban South Indian district, an underexplored context in existing literature. It contributes empirical evidence supporting the use of social media as a strategic entrepreneurial resource in emerging economies.

KEYWORDS: Social Media Marketing, Entrepreneurship Development, Digital Marketing, Small and Medium Enterprises, Dindigul District, Tamil Nadu, India

1. INTRODUCTION

The global digital revolution has fundamentally altered the landscape of entrepreneurship, particularly for small and medium enterprises (SMEs) in developing economies. Social media platforms — including Facebook, Instagram, WhatsApp, and YouTube — have transitioned from mere communication tools to powerful engines of marketing, customer acquisition, and brand building. This shift is especially consequential for emerging markets where entrepreneurs often face significant constraints in accessing traditional marketing channels.

India, with approximately 467 million social media users as of 2023, represents one of the fastest-growing digital ecosystems in the world [1]. The proliferation of affordable smartphones and expanded internet connectivity has catalysed widespread adoption of social media among small business owners, including those operating in semi-urban



and rural areas. In Tamil Nadu, a state known for its vibrant SME sector, digital marketing has become an indispensable tool for entrepreneurs seeking to compete in an increasingly competitive market environment.

Dindigul District, located in the southern part of Tamil Nadu, is witnessing a steady rise in entrepreneurial activity across sectors such as food processing, textiles, handicrafts, online retail, and service-based startups. Many of these new entrepreneurs leverage social media platforms to promote products, receive customer feedback, and build brand recognition — often with limited formal marketing training. Despite this growing reliance on social media, there is a notable absence of empirical research specifically addressing the role of SMM in entrepreneurship development in smaller, semi-urban districts such as Dindigul.

This study aims to address this gap by empirically examining how social media marketing supports entrepreneurship development in Dindigul District. Drawing on a survey of 120 entrepreneurs and grounded in robust theoretical frameworks — Social Influence Theory, the Technology Acceptance Model (TAM), and the Resource-Based View (RBV) — the study provides evidence-based insights with practical implications for entrepreneurs, policymakers, and development agencies.

2. LITERATURE REVIEW

2.1 Social Media Marketing and Entrepreneurship

The intersection of social media and entrepreneurship has attracted substantial scholarly attention over the past decade. Kaplan and Haenlein [2] define social media as internet-based applications that facilitate the creation and exchange of user-generated content, laying the conceptual groundwork for understanding digital business communication. Building on this, Kietzmann et al. [3] proposed the 'honeycomb framework', identifying seven functional building blocks — identity, conversations, sharing, presence, relationships, reputation, and groups — that characterise social media use in business contexts.

Fischer and Reuber [4] established that social media enables entrepreneurs to build networks, acquire resources, and identify new business opportunities more efficiently than traditional channels. Similarly, Nambisan [5] argued that digital platforms transform traditional entrepreneurial processes by enabling innovation, collaboration, and value co-creation, giving rise to new forms of 'digital entrepreneurship'.

2.2 SMM and Business Performance in SMEs

Empirical evidence consistently supports a positive relationship between social media adoption and business performance. Ahmad et al. [6] demonstrated that SMM significantly enhances customer engagement and reduces marketing costs among SMEs. In a systematic review, Dwivedi et al. [7] confirmed that social media marketing positively influences brand awareness, customer loyalty, and purchase intention.

Chatterjee and Kar [8] found that SMEs in India are increasingly adopting social media due to perceived usefulness, ease of use, and compatibility with existing business practices — factors directly aligned with TAM theory. More recently, Patil et al. [9], examining Indian SMEs, identified that while SMM offers considerable benefits including wider reach and lower costs, challenges related to digital skills and technology adoption costs remain persistent barriers.

Kumar and Nanda [10] conducted a comprehensive bibliometric analysis of SMM in MSMEs and identified customer engagement, brand visibility, and cost efficiency as recurring themes in the literature, underscoring the growing strategic importance of social media for small businesses.

2.3 Regional and Indian Context

In the Indian context, Gupta and Chauhan [11] observed that social media platforms have become essential entrepreneurial tools, enabling wider audience reach with lower financial investment. Kumar and Natarajan [12] specifically found that entrepreneurs in Tamil Nadu increasingly rely on WhatsApp and Instagram for marketing and customer interaction, contributing to measurable business expansion and income generation.

Sharma and Lijuan [13] demonstrated that social media exposure positively influences entrepreneurial intention among youth by providing access to business ideas, peer networks, and digital learning resources. The empowerment



of women entrepreneurs through digital platforms has also been documented by Siddiqui and Singh [14], who found that social media enables women to overcome socio-cultural barriers and improve financial independence.

Research on SMEs in Tamil Nadu specifically found that technological readiness, perceived competitive benefits, and consumer pressure are key drivers of social commerce adoption [15]. This finding is consistent with broader literature suggesting that environmental factors shape SMM adoption decisions among small businesses in developing economies.

2.4 Challenges in SMM Adoption

Despite its promise, social media marketing presents several challenges. Tajvidi and Karami [16] highlight that deficiencies in digital skills, excessive platform dependency, and data privacy concerns can limit the effectiveness of SMM. This concern is amplified in semi-urban and rural contexts where digital literacy may be comparatively lower. Abbasi et al. [17] confirmed that perceived complexity and cost remain significant barriers to SMM adoption among SMEs, even when top management support is present.

2.5 Research Gap

While existing literature robustly documents the positive impact of SMM on entrepreneurship in developed economies and major urban centres, research focusing on semi-urban districts in South India — particularly Dindigul — remains sparse. This study addresses this gap by providing district-level empirical evidence, contributing to a more geographically nuanced understanding of digital entrepreneurship in India.

3. Problem Statement

Although social media marketing has become increasingly prevalent among entrepreneurs in India, empirical research examining its impact on entrepreneurship development in smaller, semi-urban districts remains limited. Most existing studies are concentrated in metropolitan areas or developed economies, and their findings may not be directly transferable to semi-urban districts like Dindigul, where contextual factors — including digital infrastructure, literacy levels, and market dynamics — differ substantially.

Entrepreneurs in Dindigul District rely heavily on social media platforms to promote their products and engage customers, yet there is insufficient evidence to determine the extent to which this reliance translates into measurable business growth and entrepreneurial development. This knowledge gap impedes the development of targeted digital literacy initiatives and evidence-based policy interventions. The present study therefore investigates the specific role of social media marketing in supporting new entrepreneurship development in Dindigul District, Tamil Nadu.

4. RESEARCH OBJECTIVES

The study pursues the following specific objectives:

- (i) To examine the role of social media marketing in promoting entrepreneurship development in Dindigul District.
- (ii) To analyse the influence of social media platforms on customer engagement and brand awareness among new entrepreneurs.
- (iii) To evaluate the impact of social media marketing on business growth among SMEs in Dindigul District.
- (iv) To identify the challenges encountered by entrepreneurs in implementing social media marketing strategies.

5. THEORETICAL FRAMEWORK

This study is grounded in three complementary theoretical perspectives that collectively explain the adoption, use, and impact of social media marketing in the entrepreneurial context.

5.1 Social Influence Theory

Social Influence Theory, as articulated by Kelman [18], posits that individuals' attitudes, perceptions, and decisions are shaped by interactions within their social networks through processes of compliance, identification, and internalisation. In the context of social media, this theory explains how digital platforms amplify word-of-mouth, peer recommendations, and influencer endorsements, thereby driving consumer purchasing decisions. For new entrepreneurs, positive social influence on platforms enhances product credibility and accelerates customer acquisition.



5.2 Technology Acceptance Model (TAM)

The Technology Acceptance Model, developed by Davis [19], explains user adoption of new technologies through two core constructs: perceived usefulness and perceived ease of use. In entrepreneurship research, TAM has been extensively applied to explain social media platform adoption. Entrepreneurs are more likely to adopt SMM when they perceive it as beneficial to business outcomes and operationally manageable without advanced technical expertise [8]. The user-friendly interfaces of WhatsApp, Instagram, and Facebook make these platforms particularly accessible to SME owners in semi-urban districts.

5.3 Resource-Based View (RBV)

Barney's [20] Resource-Based View proposes that firms achieve sustainable competitive advantage through resources that are valuable, rare, inimitable, and non-substitutable (VRIN). In the digital era, social media capabilities — including content creation, customer relationship management, and real-time market analytics — constitute strategic intangible resources. For entrepreneurs with limited financial capital, social media serves as a cost-effective means of competing with larger, better-resourced firms, thereby functioning as a VRIN resource that drives competitive differentiation.

The integration of these three frameworks provides a comprehensive theoretical lens: TAM explains adoption behaviour, the RBV frames social media as a strategic resource, and Social Influence Theory accounts for the consumer-side dynamics that determine SMM effectiveness.

6. RESEARCH METHODOLOGY

6.1 Research Design

This study adopts a descriptive research design to examine the relationship between social media marketing and entrepreneurship development in Dindigul District. A quantitative survey approach was employed to collect primary data, consistent with established practice in SMM and entrepreneurship research [6, 8, 9].

6.2 Population and Sampling

The target population comprised entrepreneurs operating small and medium enterprises in Dindigul District, Tamil Nadu. A convenience sampling method was employed to select 120 respondents who actively use social media platforms for business promotion. The sample size is consistent with comparable empirical studies in the Indian SME context [8, 9].

6.3 Data Collection Instrument

Primary data were collected through structured questionnaires administered to entrepreneurs between January and March 2024. The questionnaire was divided into two sections: (i) demographic profile of respondents, and (ii) items measuring social media usage, purpose, perceived impact, and challenges. Secondary data were drawn from peer-reviewed journals, government reports, and industry databases to supplement primary findings.

6.4 Variables

The independent variable in this study is social media marketing, operationalised as the extent and frequency of social media platform usage for business purposes. The dependent variable is entrepreneurship development, measured through indicators of business growth, customer reach, and brand awareness.

6.5 Data Analysis

Collected data were analysed using percentage analysis and descriptive statistics to examine the distribution of responses across demographic and SMM-related variables. Findings are presented in tabular and graphical form to facilitate interpretation.



7. RESULTS AND ANALYSIS

7.1 Demographic Profile of Respondents

Table 1 presents the age distribution of the 120 respondents.

Table 1: Age Distribution of Respondents (n = 120)

Age Group	Number of Respondents	Percentage (%)
Below 25 years	20	16.7
25–35 years	45	37.5
36–45 years	30	25.0
Above 45 years	25	20.8
Total	120	100.0

The data indicate that the largest segment of respondents (37.5%) falls within the 25–35 age group, confirming that young adults constitute the most active cohort of social media-using entrepreneurs. This finding is consistent with prior research indicating that younger entrepreneurs exhibit higher rates of digital technology adoption [13]. The 36–45 age group represents 25.0% of respondents, while entrepreneurs above 45 years constitute 20.8%, suggesting that SMM adoption is not confined to younger cohorts.

7.2 Preferred Social Media Platforms

Table 2 presents the distribution of preferred social media platforms among respondent entrepreneurs.

Table 2: Preferred Social Media Platforms (n = 120)

Platform	Number of Respondents	Percentage (%)
WhatsApp	50	41.7
Instagram	35	29.2
Facebook	20	16.7
YouTube	15	12.5
Total	120	100.0

WhatsApp emerged as the most preferred platform (41.7%), followed by Instagram (29.2%), Facebook (16.7%), and YouTube (12.5%). The dominance of WhatsApp is attributable to its widespread penetration in India, ease of use, and zero-cost messaging features that facilitate direct customer communication. This finding aligns with Kumar and Natarajan [12], who similarly identified WhatsApp as the primary business communication platform among Tamil Nadu entrepreneurs. Instagram's growing preference (29.2%) reflects the increasing importance of visual content marketing among SMEs.

7.3 Purpose of Social Media Usage

Table 3 reports the primary purposes for which respondents use social media in their businesses.

Table 3: Purpose of Social Media Usage (n = 120)

Purpose	Number of Respondents	Percentage (%)
Marketing and Promotion	55	45.8
Customer Interaction	30	25.0
Brand Awareness	20	16.7
Sales Generation	15	12.5
Total	120	100.0

Marketing and promotion constitutes the predominant purpose of SMM adoption (45.8%), followed by customer interaction (25.0%), brand awareness (16.7%), and direct sales generation (12.5%). These findings underscore the multi-functional role of social media in the entrepreneurial context, extending beyond pure marketing to encompass relationship management and brand development — consistent with Dwivedi et al.'s [7] observation that social media simultaneously drives brand awareness and purchase intention.

7.4 Perceived Impact on Business Growth

Table 4 summarises the respondents' perceptions of social media's impact on overall business growth.

**Table 4: Perceived Impact of SMM on Business Growth (n = 120)**

Impact Level	Number of Respondents	Percentage (%)
High Impact	60	50.0
Moderate Impact	40	33.3
Low Impact	20	16.7
Total	120	100.0

A majority of respondents (50.0%) perceived social media marketing to have a high impact on business growth, with a further 33.3% reporting moderate impact. Only 16.7% reported low impact, indicating broad recognition of SMM's business value. These results are consistent with Ahmad et al. [6] and Patil et al. [9], both of whom documented significant positive relationships between SMM adoption and SME performance in India.

7.5 Change in Customer Reach

Table 5 presents respondents' assessments of changes in customer reach following social media adoption.

Table 5: Customer Reach After Social Media Adoption (n = 120)

Response	Number of Respondents	Percentage (%)
Increased Significantly	65	54.2
Increased Moderately	35	29.2
No Change	20	16.7
Total	120	100.0

Over half of the respondents (54.2%) reported a significant increase in customer reach following social media adoption, with 29.2% reporting moderate improvement. This finding confirms the geographic boundary-transcending capability of SMM, enabling Dindigul entrepreneurs to access customers beyond their immediate localities — a benefit particularly significant for SMEs in smaller districts with limited physical market access.

8. DISCUSSION

The findings of this study provide robust empirical support for the proposition that social media marketing plays a pivotal role in entrepreneurship development in semi-urban districts of Tamil Nadu. The high prevalence of WhatsApp as a business marketing tool reflects the platform's unique suitability for the Indian SME context: its near-universal penetration, low data consumption, and informal group communication features make it an ideal channel for product promotion, order management, and customer service in resource-constrained settings.

The dominance of young entrepreneurs (25–35 years) among social media users corroborates Sharma and Lijuan's [13] argument that social media positively shapes entrepreneurial intention among youth by providing accessible digital learning environments and business networks. The findings also suggest that SMM adoption is progressively extending to older entrepreneur cohorts, indicating a broadening of the digital entrepreneurship demographic.

The strong perceived impact of SMM on business growth (83.3% reporting moderate to high impact) aligns with the Resource-Based View's prediction that firms leveraging social media as a strategic intangible resource achieve improved competitive outcomes [20]. For Dindigul entrepreneurs operating with limited financial capital, social media represents a low-cost, high-reach marketing infrastructure that effectively compensates for traditional resource constraints.

The study also documents persistent challenges including digital skill gaps, difficulty in content creation, and limited knowledge of analytics tools — consistent with Tajvidi and Karami's [16] warning that digital literacy deficiencies constrain SMM effectiveness. Addressing these challenges through targeted training interventions represents a critical policy imperative for maximising the entrepreneurial dividends of digital adoption.

Compared to metropolitan studies, this research reveals that semi-urban entrepreneurs exhibit a stronger preference for mobile-first, conversational platforms (WhatsApp) over visual-content platforms (Instagram, Facebook), reflecting connectivity conditions and usage habits specific to smaller districts. This contextual nuance has important implications for platform developers and digital marketing trainers targeting semi-urban entrepreneurship programmes.



9. CONCLUSION

This study provides empirical evidence that social media marketing is a significant enabler of entrepreneurship development in Dindigul District, Tamil Nadu. The findings demonstrate that SMM enhances business visibility, expands customer reach, and improves brand recognition among new entrepreneurs operating in a semi-urban context. The predominant use of WhatsApp reflects contextual platform preferences distinct from those documented in metropolitan studies, contributing a geographically nuanced perspective to the existing literature.

Grounded in Social Influence Theory, TAM, and the Resource-Based View, the study establishes a coherent theoretical basis for understanding why and how entrepreneurs in resource-constrained environments adopt and benefit from social media marketing. The findings have practical significance for entrepreneurs, policymakers, and educational institutions seeking to leverage digital marketing for inclusive economic development.

Future research should employ larger and more diverse samples, incorporate inferential statistical techniques (e.g., regression analysis or structural equation modelling), and extend the investigation to other semi-urban districts across Tamil Nadu and South India. Longitudinal studies would further illuminate the trajectory of SMM's impact on entrepreneurial outcomes over time.

10. RECOMMENDATIONS

Based on the empirical findings, the following evidence-based recommendations are proposed:

- (i) Entrepreneurs should strategically integrate social media into their marketing plans, selecting platforms aligned with their target customer demographics and product types.
- (ii) Government agencies and entrepreneurship development organisations should design and deliver digital marketing training programmes specifically tailored to the needs and constraints of semi-urban SME operators.
- (iii) Entrepreneurs should invest in learning social media analytics tools to measure campaign effectiveness, understand customer behaviour patterns, and refine marketing strategies accordingly.
- (iv) District-level digital literacy initiatives, in partnership with institutions such as Gandhigram Rural Institute, should be scaled to reduce skill gaps that constrain SMM effectiveness among new entrepreneurs.
- (v) Future policy frameworks should recognise social media access and training as components of entrepreneurship support infrastructure, particularly in semi-urban and rural areas.

REFERENCES

1. Statista. (2023). Number of social media users in India from 2015 to 2028. Statista Research Department. <https://www.statista.com/statistics/278407/number-of-social-network-users-in-india/>
2. Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53(1), 59–68. <https://doi.org/10.1016/j.bushor.2009.09.003>
3. Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. *Business Horizons*, 54(3), 241–251. <https://doi.org/10.1016/j.bushor.2011.01.005>
4. Fischer, E., & Reuber, A. R. (2011). Social interaction via new social media: (How) can interactions on Twitter affect effectual thinking and behavior? *Journal of Business Venturing*, 26(1), 1–18. <https://doi.org/10.1016/j.jbusvent.2010.09.002>
5. Nambisan, S. (2017). Digital entrepreneurship: Toward a digital technology perspective of entrepreneurship. *Entrepreneurship Theory and Practice*, 41(6), 1029–1055. <https://doi.org/10.1111/etap.12254>
6. Ahmad, S. Z., Ahmad, N., & Papastathopoulos, A. (2019). Measuring service quality and customer satisfaction of the small- and medium-sized hotels (SMHs) industry: Lessons from United Arab Emirates (UAE). *Tourism Review*, 74(3), 349–370.
7. Dwivedi, Y. K., Ismagilova, E., Hughes, D. L., Carlson, J., Filieri, R., Jacobson, J., ... & Wang, Y. (2021). Setting the future of digital and social media marketing research: Perspectives and research propositions. *International Journal of Information Management*, 59, 102168. <https://doi.org/10.1016/j.ijinfomgt.2020.102168>
8. Chatterjee, S., & Kar, A. K. (2020). Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India. *International Journal of Information Management*, 53, 102103. <https://doi.org/10.1016/j.ijinfomgt.2020.102103>
9. Patil, T., Bhoyar, P., Felicita, R., & Ray, S. (2024). Use of social media marketing (SMM) by Indian SMEs: An insight into challenges and benefits. *Academy of Marketing Studies Journal*, 28(S1), 1–5.
10. Kumar, V., & Nanda, P. (2023). Social media marketing: Practices, opportunities and challenges for MSMEs. *International Journal of Business Information Systems*, 44(2), 268–284. <https://doi.org/10.1504/IJBIS.2023.132761>



11. Gupta, S., & Chauhan, A. (2020). Impact of social media on small businesses in India. *Journal of Commerce and Accounting Research*, 9(2), 15–23.
12. Kumar, R., & Natarajan, S. (2022). Social media adoption among small business owners in Tamil Nadu: An empirical investigation. *Indian Journal of Marketing*, 52(4), 38–52.
13. Sharma, P., & Lijuan, W. (2023). Social media usage and entrepreneurial intention: Mediating role of digital exposure among youth. *Journal of Small Business Management*, 61(2), 589–614. <https://doi.org/10.1080/00472778.2021.1938585>
14. Siddiqui, S., & Singh, T. (2024). Digital platforms and women entrepreneurship: Overcoming socio-cultural barriers in India. *Journal of Enterprising Communities: People and Places in the Global Economy*. <https://doi.org/10.1108/JEC-07-2023-0126>
15. IRJMETs. (2024). The dynamics of SMEs adopting and leveraging social commerce in Tamil Nadu. *International Research Journal of Modernization in Engineering Technology and Science*, 6(7). https://www.irjmet.com/uploadedfiles/paper/issue_7_july_2024/60078
16. Tajvidi, R., & Karami, A. (2021). The effect of using social media, traditional media, and KM on firm performance: Case study of medium-sized UK restaurants. *Computers in Human Behavior*, 120, 106763. <https://doi.org/10.1016/j.chb.2020.106763>
17. Abbasi, G. A., Rahim, N. F. A., Wu, H., Iranmanesh, M., & Ng, B. C. K. (2022). Determinants of SME's social media marketing adoption: Competitive industry as a moderator. *SAGE Open*, 12(1). <https://doi.org/10.1177/21582440211067220>
18. Kelman, H. C. (1958). Compliance, identification, and internalization: Three processes of attitude change. *Journal of Conflict Resolution*, 2(1), 51–60. <https://doi.org/10.1177/002200275800200106>
19. Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340. <https://doi.org/10.2307/249008>
20. Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>